

## STILL PURSUING NEW YORK LIFE.

Checks Substituted for Stocks in Order to Avoid Taxes.

## SOME QUEER TRANSACTIONS.

Company Loaned Money to Make Money Instead of Making It Itself—Probing Equitable Affairs.

New York, Nov. 28.—Edmund D. Randolph, treasurer of the New York Life Insurance company, was the first witness before the investigating committee today.

Asked about the removal of \$700,000 worth of New York City stock from the vaults of the New York Life Insurance company for a few days and the substitution thereof of a check on the Central National bank for \$700,000, which was voted yesterday by Cashier Theodore F. Banta of the New York Life, Mr. Randolph said the statement was correct in the main. He did not remove the stock as Mr. Banta testified, he said, but at that time he was not chairman of the executive committee. He probably acted under instructions from Mr. Gibbs, then treasurer, now dead.

"Who got the stock?" asked Mr. Hughes.

"I don't remember. Only three men had then access to the vaults," he said. The stock was absent from Jan. 5 to Jan. 8. He thought there were other similar instances. He agreed with Mr. Hughes in the conjecture that it was done to enable someone to put them in as non-taxable securities. Mr. Randolph said he understood the Central bank account for the Merchants' Trust company in the transaction, and possibly for others. The lending of securities for such a purpose was not payment to him, he said, and he would not do it. There was one other case where bonds were loaned, and it was good business, but they were not taxable bonds. It was a time of financial stress, when the high-class securities, and the New York Life deposited Massachusetts and New York City bonds with the United States government for the first National bank of this city and received for that over \$60,000 besides interest.

## BANKER FANSHAWE TESTIFIES.

William S. Fanshawe, member of the banking firm of Harvey Fiske & Co., was called. Mr. Hughes questioned him concerning the New York Life Insurance company's dealings in New Orleans traction stocks. Mr. Fanshawe said that in December, 1904, he bought from the New York Life Insurance company New Orleans traction stock of the face value of \$1,250,000. Of the stock he received, \$1,000,000 in face value, worth \$750,000 from the New York Security & Trust company, and \$250,000 of face value, \$187,500 actual value, from George W. Perkins, trustee of the Nydia fund. Mr. Fanshawe gave his checks of \$750,000 to the trust company and for \$187,500 to Mr. Perkins, and then borrowed \$937,500 from the New York Life Insurance company on the bonds as collateral. He then sold the bonds and paid 95 per cent of the profit to the New York Life Insurance company.

Mr. Fanshawe said he was in a joint account with the New York Life Insurance company to purchase \$5,000,000 of Long Island railroad bonds, in which the life insurance company carried the entire lot of bonds for the interest, and received a profit of \$8,182, while Mr. Fanshawe's profits were \$32,500. Half the bonds were owned by Mr. Fanshawe, and he sold them all. He made the arrangement through Mr. Perkins and Mr. Randolph, but did not divide his own profits on the deal with any one connected with the New York Life Insurance company.

"Do you know of any reason why the New York Life, if it was willing to advance the money to carry these bonds, should not have bought the bonds outright and employed you as broker to sell them?" asked Mr. Hughes.

"Yes, because by going into this joint account with me they got the benefit of my experience, both in buying bonds and marketing them. They never paid me anything for that, but they got one-half of the net profit," said Mr. Fanshawe.

## SQUIRE'S AFFIDAVIT.

Mr. Hughes read the deposition of George H. Squire, formerly financial manager of the Equitable Life Assurance society, which was taken several days ago. Mr. Squire was asked about the purchase of 2,000 shares of the Equitable society at \$174 a share. Fifteen hundred of the shares were divided among officers and directors and the Equitable society kept 500. It was desired to have it appear, however, that the Equitable had bought the entire 2,000 shares. Mr. Squire took 100 shares and afterward sold a similar amount to Williamson & Squire, who subsequently sold a similar amount to the Equitable society at \$310. Mr. Squire was asked about the sale of stock of the Lawyers' Mortgage company by the American Deposit & Loan company to the Equitable society, and

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was asked if the American Deposit & Trust company did not pay the profits of the sale to him. Mr. Squire said he did not know to whom the profits went.

In reply to questions by Mr. Hughes, Mr. Squire said some of the officers of the Equitable society sold their holdings of the Lawyers' Title Insurance company stock, and may have sold it through Williamson & Squire. His attention was called to sales of several blocks of the stock at 300 to 350 by that firm to the Equitable Life Assurance society, but he did not know whether the stock came from the officers of the society. He said that Chauncey M. Depew and Comptroller Jordan sold some stock, but he did not know to whom.

Mr. Squire was asked about a joint account between James H. Hyde, W. H. McIntyre and George H. Squire to buy blocks of stock of the Lawyers' Mortgage company. He said the stock was sold to the Equitable society by the American Deposit & Loan company, and the members of the joint account got profits of \$4,000.

He was asked about the George H. Squire trustee account in the Equitable society's record. He said the gains credited to that account were realized on securities turned over by T. B. Jordan, comptroller of the Equitable society, which, he believed, belonged to the Equitable society. It was shown that a check of \$100,000 was drawn against the account to James W. Alexander, president of the society, and endorsed to him by "James W. Alexander, account No. 2." Other larger payments were made to the Mercantile Trust company, the Equitable Trust company and to T. B. Jordan.

Mr. Squire said much of the stock allotted to George H. Squire and associates was divided among the members of the executive committee of the Equitable society.

Mr. Squire said that George H. Squire and associates took \$1,500,000 of Chicago, Burlington & Quincy railroad stock, of which the Equitable society was allotted \$500,000, and the society paid the entire call made upon the Squire associates. This was the only case, Mr. Squire said, in which the society paid the call for the members of the syndicate. Mr. Squire said he had made a net loss of \$50,000 in the "James H. Hyde and associates" syndicate operations. He also said he made losses in other syndicate operations.

## LAWRENCE L. GILLESPIE.

Lawrence L. Gillespie, connected with the Equitable Trust company, produced statements of the Equitable Trust company of the purchases and sales of stock of the Lawyers' Mortgage company by the American Deposit & Loan company. This statement showed that 411 shares of the Title Insurance company were bought by the American Deposit & Loan company in 1901 and subsequently sold. The profits to the American Deposit & Loan company were \$22,752 in all the purchases and sales of this stock. Mr. Hughes also read a statement showing that the Equitable society had purchased \$100,000 worth of the Lawyers' Title Insurance company stock.

## ALFRED MAIN.

Alfred Main, one of the auditors of the Equitable society, testified that he had made a computation of the renewal commissions paid to Gage E. Tarbell, vice president of the Equitable society. Mr. Hughes asked him to produce his calculations as to how much Mr. Tarbell was entitled to when the computations were made. The renewals ran for 24 years under the policies written through Mr. Tarbell's agency. The computation showed that the present value of the commissions, based on duration of the policies, was \$140,000, and that they would pay him \$25,000 a year. The longest of them was good for 12 years. Mr. Main promised to bring in detailed figures of his computation.

## GEORGE T. WILSON.

George T. Wilson, vice president of the Equitable society, was the next witness. Mr. Wilson was shown statements he made to State Sup't. of Insurance Hendricks, showing that the cost of getting new business in Australia was 85 per cent of the new premiums; in France, 85 per cent; and in Great Britain, 12 per cent. Mr. Wilson said he had deducted the cost of carrying the old business from those percentages. Mr. Hughes brought out that Mr. Wilson had also made allowance for the fact that the society paid only 3 1/2 per cent renewal commissions, as compared with 7 1/2 per cent paid in the United States. If that latter reduction was not made, the cost of new business in Australia would have been 155 per cent, and in Great Britain 130 per cent.

"Why did you keep on paying more to get business than it was worth?" asked Mr. Hughes.

"In the hope of an improvement," said Mr. Wilson. "Under the new management the Equitable society will not continue to do business in any district which is permanently unprofitable. The British business is getting edged; a profit is made on the mortality. It is a long-lived business."

## RASTUS S. RANDOME.

Rastus S. Randome, counsel for George H. Squire of the Equitable Life Assurance society, next testified. He produced a statement showing that a profit of more than \$22,000 had been paid to Mr. Squire by the American Deposit & Loan company as a result of the Lawyers' Title Insurance company and the Lawyers' Mortgage company. Mr. Hughes produced checks showing a division of profits by Mr. Squire as follows: James W. Alexander, \$5,688; James H. Hyde, \$5,888; Thomas D. Jordan, \$3,732; and W. H. McIntyre, \$3,732.

## GEORGE D. ELDRIDGE.

George D. Eldredge, vice president and actuary of the Mutual Reserve Life Insurance company, was next called. He said the statement of the assets in the blue book of the New York state insurance department was grossly inaccurate. He made many corrections. The salary of the president of the com-

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pany, he said was increased in 1899 from \$35,000 and expenses to \$37,500. Mr. Hughes said the business then did not warrant an increase in salary, but Mr. Eldredge said that it was paid because the president was earning it.

Mr. Hughes read a statement showing the increase in salaries of the officers of the Mutual Reserve Life Insurance company since 1882. The president's salary in that year was \$3,725, and it was increased until 1893, when it was \$18,100. It was cut to \$28,000 in 1896 and was \$29,000 after 1900 up to the present. Mr. Eldredge said he was paid a salary as vice president and actuary, and the second vice president was also paid a salary as counsel. William T. Eldredge, one of the assistant secretaries, is a son of the first vice president.

Mr. Hughes then called Mr. Eldredge's attention to the complaint which had been made by David Hall, Governor of Missouri, which came up a few days ago, when Mr. Eldredge was asked to look the case up. Mr. Eldredge said that, as Mr. Hall stated, he is a policyholder in the Mutual Reserve Life Insurance company, and that a bond of \$87 had been credited to Mr. Hall's policy at the end of the first five-year period in 1891, but that the bond had been entirely wiped out by special assessments before it became available for Mr. Hall in 1901. The special assessments in one year, he said, were \$76.35 in addition to the regular assessments, and Mr. Hall would have had to pay them in cash if he had not been credited with the bond. Mr. Eldredge said Hall had paid \$289.50 to the company on this \$5,000 policy and when asked if Mr. Hall still owned \$1,200 to the company, as he had stated, Mr. Eldredge said:

"That is as I have explained when I testified before."

Mr. Hughes then produced a policy \$100,000, written by the Mutual Reserve Life Insurance company in 1896, and asked if that also was subject to special assessments. Mr. Eldredge said that it was. Mr. Hughes then read the stipulations on the first page of the policy, which provided that the holder should pay \$23.90 on certain specified months in each year as premiums "subject to the benefits and requirements elsewhere stated in this policy." In reply to a question by Mr. Hughes, Mr. Eldredge said there was no other allusion on the first page to paying any other than the regular assessment, and which, he believed, permitted the special assessment was contained in a clause on the second page of the policy. Mr. Hughes read that clause, which provided that the holder of the policy might be required to pay to the company "any multiple or ratio" of the premium stated on the first page which the executive committee of the Mutual Reserve Life Insurance company might determine he should pay. Mr. Hughes said that was six years ago. Since then we have always kept a bottle in the house and colds it has no equal. 25c. per bottle. Sold by Z. C. M. I. Drug Dept.

## TOURIST SANDBAGGED.

San Bernardino, Cal., Nov. 28.—Carl Axel Fred, a tourist from Concord, N. H., died yesterday at the county hospital after lying unconscious for four days. The county physician states emphatically that every indication points to Fred having been sandbagged.

## Positive Cure for the DRINK HABIT

Not a temporary—but a lasting cure—one that will banish forever the craving for intoxicating drinks.

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has cured thousands of cases of drunkenness and is today releasing thousands of men from their merciless captor—the drink habit.

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In request of your letter that I received at Valley, asking me how I was getting along with "TRIB," I must say it is fine. I began taking it the next day after receiving it. "TRIB" is all right and I recommend it to all as a cure for liquor and tobacco. I remain,

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## GOT INSURANCE POLICY FOR NOTHING

New York Life Insurance Agent Had Some Strange Business Ways.

## COMMISSION IN IT FOR HIM.

Has Hearing Before Philadelphia Magistrate and is Held in Bonds of \$200,000.

Philadelphia, Nov. 28.—Charged with unlawful discrimination in favor of Benjamin C. Warnick of this city, in connection with the issuance of a life insurance policy for \$100,000, Harold Pelrice, the general agent in Philadelphia of the New York Life Insurance company, was given a hearing before Magistrate Terman today and held in \$200,000 bail for his appearance in court. Pelrice, it is charged, caused to be issued a policy on the life of Warnick for which the latter did not have to pay the first year's premium, which amounted to \$2,565.

The principal witness in the case is Warnick. He said a man named E. A. Riley came to him and told him that he could get Warnick a \$100,000 policy in the New York Life Insurance company through Pelrice without Warnick having to pay a cent for the first year's premium. Riley explained, Warnick said, that by obtaining this policy Pelrice would be able to get a special bonus from the company and thus get a commission that he could otherwise obtain. To this Warnick assented, making the proviso that it must be regular and within the law, as he would not accept it otherwise.

## MURDER IN FIRST DEGREE.

J. A. Warford Found Guilty of it for Killing Ike Lebo.

Cripple Creek, Colo., Nov. 28.—James A. Warford was found guilty tonight of murder in the first degree for killing Ike Lebo at Goldfield, Colo., a year ago. The jury recommended life imprisonment. Warford was acting as a deputy sheriff on election day and shot and killed Lebo and a man named Miller, who, he said, drew guns on him when he started to remove them outside the polling place. Warford claimed the men were within the 100-yard limit of the polling booth and resisted his attempt to force them out.

## Cured Consumption.

Mrs. B. W. Evans, Clearwater, Kan., writes: "My husband lay sick for three months. The doctors said that he had quick consumption. We procured a bottle of Ballard's Great Peppermint Cure and cured him. That was six years ago. Since then we have always kept a bottle in the house and colds it has no equal. 25c. per bottle. Sold by Z. C. M. I. Drug Dept."

Shoot rabbits at Cedar Fort. Kill Ducks at Clear Lake. Visit Garfield Smelters on Thanksgiving. Salt Lake Route.

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And fancy holiday novelties especially appropriate for mailing to friends. Goods bought from us will be wrapped for mailing and posted on the premises. DESERET NEWS BOOK STORE, 6 Main Street.

## HALF RATES

For Thanksgiving Day.

Via Oregon Short Line. Tickets for sale November 29th and 30th. Good for return to December 3rd. See agent for full particulars.

Salt Lake Route Thanksgiving Excursion. One Fare Round Trip. Any Utah Point. Also to points on Oregon Short Line, Sanpete Valley and Salt Lake & Mercur within 250 miles.

## THANKSGIVING DAY RATES

Via Oregon Short Line.

Tickets on sale November 29th and 30th. Good for return until December 4th. See agents for further particulars.

## We Could Scare You

Into painting your house if we'd tell you how it looks. We would rather coax you, though, with climatically correct paint.

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Good Set of Teeth for

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Amalgam or Silver Filling.....\$1.00

Gold Fillings.....\$1.00 and up

Tooth cleaned.....\$1.00

Solid Gold Crowns.....\$3.00

Bridge Work per tooth.....\$5.00

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Convenient to all car lines, places of amusement and prominent buildings. A hotel of excellence. European

\$1.00 per day upward; American \$2.00 per day upward. Special rates to families.

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Your money refunded if not perfectly satisfactory. Now then see here, if you want a piano come and see ours before you buy. WILL YOU?

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If, after using two-thirds of the contents of a dollar bottle of Kodol Dyspepsia Cure you are not satisfied with it or can honestly say that it has not benefited you, take the bottle back to the dealer from whom you bought it and we will refund your money. All we ask is that you be honest with us. Sign this guarantee coupon, and leave it with your dealer, who must mail it to us with the outside wrapper from around the bottle.

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